IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

TUESDAY, THE TWENTY SIXTH DAY OF APRIL
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE MR JUSTICE B. SUDERSHAN REDDY

and
THE HON'BLE MR JUSTICE C.V.RAMULU

WRIT PETITION NO : 6692 of 1996

Between:

Indian Coffee Workers' Cooperative Society Ltd.,

(Affiliated to A.I.C.W.C.S. Federation Ltd., Delhi), NTPC.,

Jyothinagar, Ramagundam, Karimnagar District.
rep. by its Secretary O.K. Rajagopalan.

..... PETITIONER

AND

1 The Commercial Tax Officer,
Peddapalli, Karimnagar District.
2 The Government of A.P., rep. by its Secretary,

Revenue Department, Secretariat, Hyderabad.

.....RESPONDENTS

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed herein the High Court may be pleased to issue an Order, Direction or Writ, particularly one in the nature of MANDAMUS declaring the action of the respondents in including the subsidy in turnover as illegal and restraining the respondents from enforcing the demand notice No. 566/92-93 dated 13.3.96 and pass such further or other orders as this Hon'ble Court may deem fit and proper.

For the Petitioner: Mr.K.Srinivasamurthy, Advocate.

For the Respondents: Special Government Pleader for Taxes.

The Court made the following:

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ORDER: (per Sri B. Sudershan Reddy, J)

The subject matter that arises for consideration in this writ petition is squarely covered by the decision rendered by the Supreme Court in ***TISCO General Office Recreation Club Vs. State of Bihar & Ors***. The apex Court took the view that subsidy given by the management for selling items of food in a canteen for the benefit of its employees cannot be said to be directly relatable to any item of food and consequently, cannot be regarded as part of the sale price of such items of food. In the instant case, the sales tax authorities considered it as part of sale price adding it to the turnover and levied the sales tax. The action of the respondents is contrary to the judgment of the Supreme Court referred to hereinabove.

Following the Judgment of the Supreme Court, this writ petition is allowed declaring the action of the respondents in including the subsidy in turnover as illegal. The respondents are directed not to enforce the demand notice dated 13-03-1996 against the petitioners. No order as to costs.

(B. Sudershan Reddy, J)

26-04-2005

(C.V. Ramulu, J)

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Rule nisi has been made absolute. Witness the Hon'ble Sri Bilal Nazki, the Acting Chief Justice on this Tuesday, the twenty sixth day of April, Two Thousand and Five.

ASSISTANT REGISTRAR

To

1 The Commercial Tax Officer,
Peddapalli, Karimnagar District.
2 The Secretary, Revenue Department,

the Government of A.P., Secretariat, Hyderabad.

3. Two CCs to the Special Government Pleader for Taxes, High Court of Andhra Pradesh, Hyderabad.

4. Two CD copies.